

OCA FILE

RECPT #

Legislation  
Chrono

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OCA 86- 2181

2 June 1986

## MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Administration Amendments to H.R. 4151, The Omnibus Diplomatic Security & Anti-Terrorism Act of 1986

1. The Administration supports the enactment of H.R. 4151 with the following four amendments to be offered during floor consideration in the Senate:

(1) -- revise section 103(b) (2) to require the Secretary of State to coordinate rather than establish overseas staffing levels because, as drafted, this section could diminish the management prerogatives of other agency heads;

(2) -- delete section 402 which allows only U.S. persons or U.S.-joint venture persons to bid on diplomatic construction projects exceeding \$5 million in value because such a limitation is objectionable on trade policy grounds and could reduce the benefits to open competition, thereby, increasing costs

(3) -- modify section 604 to clarify that Fascell Fellows would not be considered Federal employees for the purposes of any retirement, health insurance or life insurance benefits; and

(4) -- amend the authorization for appropriations in sections 501 and 502 to clarify that any appropriations would fall under existing FY-1986 and 1987 authorizations for the Administration of Foreign Affairs [P.L. 99-93].

2. Since OMB had given the Agency one day to respond to the proposed amendments, they were quickly circulated to the DDA and Office of Comptroller for comment.

STAT 3. [ ] from the Comptroller's office commented on item (4) only. He said that he had no objection because OMB was being "up front" about placing funding authority for Diplomatic Security under Gramm-Rudman constraints. In other words, there would be no new money to implement the security program; that funds would be siphoned from other government accounts. Realistically, all of the agencies benefiting from the legislation, and even some agencies not directly benefiting, would be "taxed" for a share of the funding to be applied for security projects. In sum, diplomatic security is not going to be the expected bonanza for the participating agencies.

STAT 3. [ ] from the Office of Security addressed the issue in item (2) concerning the limitation of construction bids exclusively to U.S. companies. He supports the amendment to open such bidding to others, simply because it would be impossible to build any project abroad without some local participation. U.S. companies would have to subcontract to local foreign companies anyway; otherwise, it would be prohibitively expensive to have American companies take care of every detail. Moreover, U.S. companies do not have the resources to build on a scale and at a pace contemplated by the legislation. Of course, he said, there was a trade-off in security, but exclusive use of American companies does not guarantee security because they must always use some locals during the course of the project. [ ] suggested that the amendment could be modified so that only secure areas of projects be open exclusively to bidding by American companies.

STAT 4. On 2 June 1986, I conveyed the above-described positions to A. Rooney at OMB. In addition, I explained that we strongly supported the amendment in item (1) which limited the Secretary of State's authority to "coordination" of staffing levels abroad visé "establishment" of such staffing levels. However, this was not meant to be a substitute to our more fundamental position on the preservation of existing authorities found in section 106(b) of the House passed bill.

[ ]  
Special Assistant, Legislation Division  
Office of Congressional Affairs

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Terrorism

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STAT OCA/LEG: [ ] pap (1 July 1986)

Action  
OCA 86-1345

# OFFICE OF CONGRESSIONAL AFFAIRS

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SUSPENSE

2 June 86  
Date

Action Officer

Remarks: *Informed Janet Rooney of OMB on this issue as per attached memo - 2 June 86*

Gj / 30 May 86

Name/Date

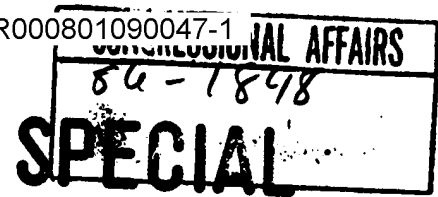


## EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 29, 1986

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer -

Department of State (Berkenbile 647-4463)	25
Department of Justice (Perkins 633-2113)	17
Department of Energy (Rabben 252-6718)	09
Department of Defense (Windus 697-1305)	06
Department of Transportation (Collins 426-4694)	26
Office of Personnel Management (Woodruff 632-4682)	22
United States Trade Representative (Johnston 3150)	23
Central Intelligence Agency	
National Security Council	
Department of Commerce (Levitt 377-3151)	04

SUBJECT: Draft Floor Position for Senate Floor Action on  
H.R. 4151, "Omnibus Diplomatic Security and  
Anti-Terrorism Act of 1986."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than 10:00 A.M., MONDAY, JUNE 2, 1986.

Questions should be referred to Sue Thau/Annette Rooney (395-7300), the legislative analyst in this office.

RONALD K. PETERSON FOR  
Assistant Director for  
Legislative Reference

Enclosures

cc: M. Margeson  
R. Neely  
H. Schreiber  
J. Jukes  
R. Moran  
P. Scheinberg



# STATEMENT OF ADMINISTRATION POLICY

May 29, 1986  
(Senate)

## H.R. 4151 - Omnibus Diplomatic Security and Anti-Terrorism Act of 1986

(Rep. Mica (D) Florida and 33 others)

The Administration supports Senate passage of H.R. 4151 and the adoption of amendments to:

- ✓-- revise section 103(b)(2) to require the Secretary of State to coordinate rather than establish overseas staffing levels because as drafted this section could diminish the management prerogatives of other agency heads;
- delete section 402 which allows only U.S. persons or U.S. joint venture persons to bid on diplomatic construction projects exceeding \$5 million in value because such a limitation is objectionable on trade policy grounds and could reduce the benefits to open competition, thereby, increasing costs;
- modify section 604 to clarify that Fascell Fellows would not be considered Federal employees for the purposes of any retirement, health insurance or life insurance benefits; and
- amend the authorizations for appropriations in sections 501 and 502 to clarify that any appropriations would fall under existing FY 1986 and 1987 authorizations for the Administration of Foreign Affairs [P.L. 99-93].

\* \* \* \* \*

John Ziskowski